

November 23, 2005

Mary Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

RE: Bay State Gas Company, DTE 05-27

Dear Secretary Cottrell:

On November 21, 2005, the Bay State Gas Company (“Company” or “Bay State”) served a motion for the establishment of temporary rates pending the acceptance by the Department of Telecommunications and Energy (“Department”) of the Company’s rate case compliance filing. On November 22, 2005, the Department requested responses to the motion by November 25, 2005. The creation of the Company’s new reconciling rate requires notice and a hearing under G. L. c. 164, §94 to determine its propriety before approval. *Consumers Organization For Fair Energy Equity, Inc. v. D.P.U.*, 368 Mass. 599, 606 (1975) (creation of formula tariff requires hearing). The Department’s traditional practice is to require a company to hold bills pending the approval of the compliance filing, and the Company has provided no convincing argument for a departure from this precedent. The Company should not be permitted to retroactively increase rates to customers. The Department should deny the Company’s request.

Sincerely,

Alexander J. Cochis
Assistant Attorney General

cc. Service list